



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Lawrence H. Norton, Esq.
William A. Powers, Esq.
Venable LLP
575 Seventh Street, NW
Washington, D.C. 20004

MAY 26 2017

RE: MURs 6990 and 7079
Babulal Bera
Kanta Bera

Dear Messrs. Norton and Powers:

On December 11, 2015, the Federal Election Commission ("Commission") notified your client, Babulal Bera, of the complaint in MUR 6990, which alleged violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). On June 13, 2016, the Commission notified your clients Babulal Bera and Kanta Bera of the complaint in MUR 7079, which also alleged violations of certain sections of the Act.

On May 11, 2017, the Commission found, on the basis of the information in both complaints, and information provided by your clients, that there is no reason to believe that Babulal Bera or Kanta Bera violated 52 U.S.C. §§ 30116(a) or 30122 or 11 C.F.R. § 110.4(b). Accordingly, the Commission closed its files in these matters.

Documents related to these cases will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). The Factual and Legal Analyses, which more fully explains the Commission's findings, are enclosed.

If you have any questions, please contact Marianne Abely, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Allen".

Mark Allen
Assistant General Counsel

Enclosures
Factual and Legal Analyses (2)

17044416747

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Friends of Patrick Murphy and Brian Foucart MUR 6990
in his official capacity as treasurer
Ami Bera for Congress and Jennifer May
in her official capacity as treasurer
Kevin Strouse for Congress and Robert Fader
in his official capacity as treasurer
Thomas P. Murphy, Jr.
Leslie Murphy
Babulal Bera
Robert Strouse

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission (the "Commission") by Douglas D. Head, alleging violations of the Federal Election Campaign Act, as amended (the "Act"), by Friends of Patrick Murphy and Brian Foucart in his official capacity as treasurer, Ami Bera for Congress and Jennifer May in her official capacity as treasurer, Kevin Strouse for Congress and Robert Fader in his official capacity as treasurer, Thomas P. Murphy, Jr., Leslie Murphy, Babulal Bera, and Robert Strouse.

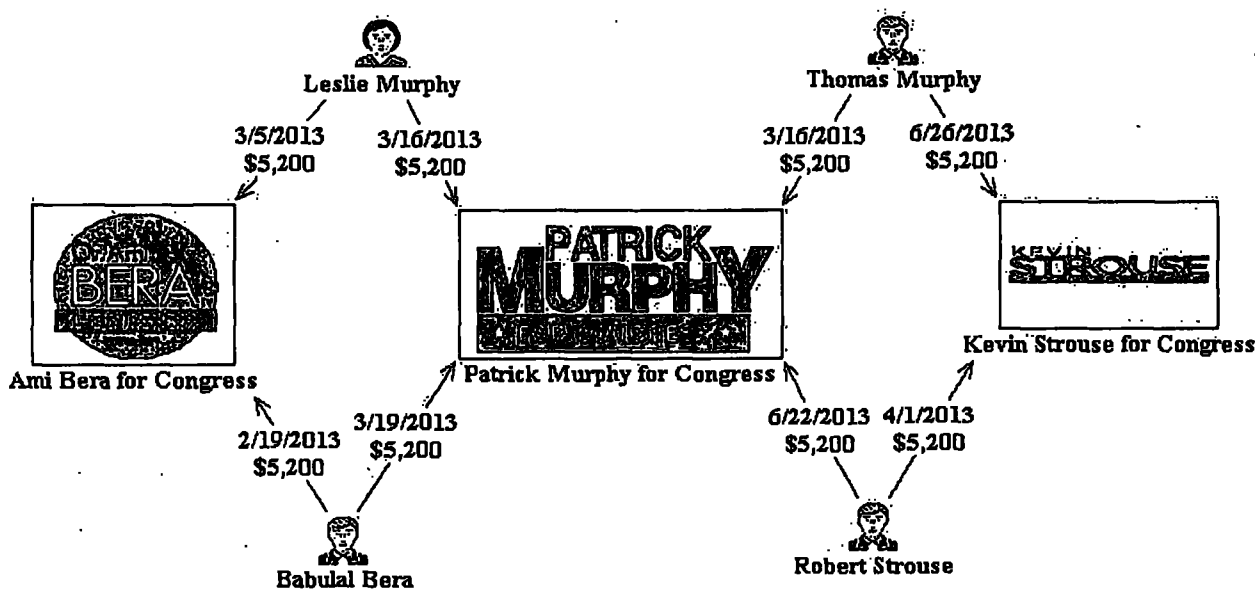
II. FACTUAL AND LEGAL ANALYSIS

A. Facts

The Complainant alleges that the Respondents violated the Act and Commission regulations by participating in a "donor swap" scheme to make contributions in the names of others for the purpose of evading the Act's contribution limits.¹ The scheme involved certain contributions by Leslie Murphy and Thomas P. Murphy, Jr., the parents of congressional candidate Patrick Murphy; contributions by Robert Strouse, the father of congressional candidate

¹ MUR 6990 Compl. at 1.

- 1 Kevin Strouse; and contributions by Babulal Bera, the father of congressional candidate Amerish
2 "Ami" Bera,² as shown in the diagram below.



3
4 Mr. and Mrs. Murphy, Mr. Strouse, and Mr. Bera had each contributed the \$5,200
5 maximum to their children's principal campaign committees for the 2014 primary and general
6 elections.³ According to the Complaint, the purpose of the scheme was to evade the Act's
7 individual contribution limits.⁴ On March 5, 2013, Leslie Murphy contributed \$5,200 to Ami
8 Bera's principal campaign committee, Ami Bera for Congress.⁵ The Complaint alleges that, two
9 weeks later, Babulal Bera reimbursed this contribution by making two \$2,600 contributions to
10 Patrick Murphy's principal campaign committee, Friends of Patrick Murphy.⁶ Similarly,
11 according to the Complaint, Robert Strouse contributed a total of \$5,200 to the Murphy

² See MUR 6990 Compl. at 1-2.

³ See 52 U.S.C. § 30116(a)(1)(A).

⁴ MUR 6990 Compl. at 1.

⁵ *Id.* at 2, Ex. D.

⁶ *Id.* Ex. A.

1 Committee on June 22, 2013, and, just four days later, was reimbursed by Thomas P. Murphy,
2 Jr.'s two \$2,600 contributions to Kevin Strouse for Congress.⁷ These actions led the
3 Complainant to conclude that Leslie Murphy permitted her name to be used to make a
4 contribution in the name of another and that Thomas P. Murphy, Jr., made a contribution in the
5 name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).⁸

6 Respondents deny the allegations and assert that the Complaint fails to present any facts
7 demonstrating that they participated in an unlawful "scheme" involving the reimbursement of
8 contributions.⁹ According to the Responses, the Murphys, Babulal Bera, and Robert Strouse
9 independently made legal and direct contributions to the candidate committees at issue, actions
10 that were entirely consistent with their longstanding history of contributing to federal political
11 committees.¹⁰ The Responses also argue that the Commission has previously determined that
12 series of direct contributions, such as those presented in this matter, are lawful as they do not
13 involve the reimbursement of funds used to make the contributions.¹¹

14 **B. Analysis**

15 The Act limits how much an individual can contribute to a federal candidate and his or
16 her principal campaign committee.¹² The Act and Commission regulations provide that no
17 person shall make a contribution in the name of another person or knowingly permit his or her

⁷ *Id.* at 1, Exs. B and C.

⁸ *Id.* at 1-2.

⁹ Murphy Committee, Leslie and Thomas P. Murphy, Jr. Resp. ("Joint Murphy Resp.") at 1-2; Bera Committee Resp. at 1; Bera Resp. at 1-2; Strouse Resp. at 1-2.

¹⁰ Joint Murphy Resp. at 1; Bera Resp. at 1-2; Strouse Resp. at 1.

¹¹ Joint Murphy Resp. at 1-3; Bera Resp. at 3; Bera Committee Resp. at 2; Strouse Resp. at 2.

¹² 52 U.S.C. § 30116(a). During the 2014 election cycle, an individual could contribute a maximum of \$2,600 to a candidate per election.

1 name to be used to effect such a contribution.¹³ In addition, “no person shall . . . knowingly help
2 or assist any person in making a contribution in the name of another.”¹⁴ Candidates, their
3 committees, and their agents are also prohibited from knowingly accepting contributions that
4 exceed the Act’s limits and contributions made in the name of another.¹⁵

5 As argued in the Response, the available information does not support the Complainant’s
6 allegations that the contributions identified in the Complaints constitute contributions in the
7 name of another for the purpose of exceeding federal contribution limits. The Complaint
8 identifies contributions made by four parents to each other’s adult children, but does not provide
9 any information – indeed, does not even specifically allege – that the funds were not the personal
10 funds of the named contributors.

11 Accordingly, the Commission finds no reason to believe that Friends of Patrick Murphy
12 and Brian Foucart in his official capacity as treasurer violated 52 U.S.C. §§ 30116(f) or 30122,
13 or 11 C.F.R. § 110.4(b); Ami Bera for Congress and Jennifer May in her official capacity as
14 treasurer violated 52 U.S.C. §§ 30116(f) or 30122, or 11 C.F.R. § 110.4(b); Kevin Strouse for
15 Congress and Robert Fader in his official capacity as treasurer violated 52 U.S.C. §§ 30116(f) or
16 30122, or 11 C.F.R. § 110.4(b); Thomas P. Murphy, Jr. violated 52 U.S.C. §§ 30116(a) or 30122,
17 or 11 C.F.R. § 110.4(b); Leslie Murphy violated 52 U.S.C. §§ 30116(a) or 30122, or 11 C.F.R.

¹³ 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii).

¹⁴ See 11 C.F.R. § 110.4(b)(1)(iii).

¹⁵ See 52 U.S.C. §§ 30116(f) and 30122; 11 C.F.R. §§ 110.4(b)(1)(iv). Commission regulations also require treasurers of political committees to examine all contributions for evidence of illegality. Should a treasurer determine that a contribution is illegal, including that a contribution was made in the name of another, the treasurer shall refund the contribution to the contributor within 30 days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b).

- 1 § 110.4(b); Babulal Bera violated 52 U.S.C. §§ 30116(a) or 30122, or 11 C.F.R. § 110.4(b); or
- 2 Robert Strouse violated 52 U.S.C. §§ 30116(a) or 30122, or 11 C.F.R. § 110.4(b).

17044416752

1 **FEDERAL ELECTION COMMISSION**

2
3 **FACTUAL AND LEGAL ANALYSIS**

4
5 **RESPONDENTS:**

MUR: 7079

6
7 Ami Bera for Congress and Jennifer May Amerish "Ami" Bera
8 in her official capacity as treasurer Babulal Bera
9 DelBene for Congress and Jay Patterson Kanta Bera
10 in his official capacity as treasurer Janine Bera
11 Eggman for Congress and Jay Petterson Suzan DelBene
12 in his official capacity as treasurer Michael Eggman
13 Stacey Lawson for Congress and Kevin Heneghan Stacey Lawson
14 in his official capacity Jon Hulburd
15 Hulburd for Congress and David Beckham Patrick Murphy
16 in his official capacity as treasurer Thomas P. Murphy, Jr.
17 Friends of Patrick Murphy and Brian Foucart Leslie Murphy
18 in his official capacity as treasurer Scott Peters
19 Scott Peters for Congress and Nicholas R. Femia Lynn Gorguze
20 in his official capacity as treasurer Gloria Gorguze
21 Sangisetty for Congress LLC and Kurt Fakier Koti Sangisetty
22 in his official capacity Aruna Sangisetty
23 Friends of Steve Pougnet and Kinde Durkee Ravi Sangisetty
24 in her official capacity as treasurer Stephen P. Pougnet
25 Kevin Strouse for Congress and Ronald Fader Kevin Strouse
26 in his official capacity as treasurer Robert Strouse
27 Dan Roberti for Congress and Daniel McClutchy Daniel Francis Roberti
28 in his official capacity as treasurer Dina Titus
29 Dr. Raul Ruiz for Congress and John Pinkney Dr. Raul Ruiz
30 in his official capacity as treasurer Loretta Sanchez
31 Titus for Congress and Jennifer May Manan Trevidi
32 in her official capacity as treasurer
33 Trivedi for Congress and Bret Binder
34 in his official capacity as treasurer
35 Committee to Re-elect Loretta Sanchez and Katharine Meyer Borst
36 in her official capacity as treasurer
37

38 **I. INTRODUCTION**

39 This matter was generated by a Complaint filed with the Federal Election Commission
40 (the "Commission") by The Foundation for Accountability and Civic Trust, alleging violations
41 of the Federal Election Campaign Act, as amended (the "Act"). The Complaint alleges that the

1 Respondents, which include a number of congressional candidates, their campaign committees,
2 and family members, violated the Act and Commission regulations by participating in schemes
3 to make contributions in the names of others for the purpose of evading the Act's individual
4 contribution limits.¹

5 II. FACTUAL AND LEGAL ANALYSIS

6 A. Facts

7 The Complainant alleges that, between 2009 and 2015, Congressional candidate Amerish
8 "Ami" Bera, along with his wife and parents, orchestrated a donor-swapping scheme involving
9 the reimbursement of contributions made by fourteen other congressional candidates and their
10 families.² According to the Complaint, during the 2010, 2012, 2014, and 2016 election cycles,
11 candidate Ami Bera, his wife, Janine Bera, and his parents, Babulal and Kanta Bera, improperly
12 reimbursed contributions totaling over \$200,000 for the purpose of magnifying the value of the

¹ MUR 7079 Compl. at 1

² *Id.* While the Complaint alleges that fourteen candidates, their families, and campaign committees participated in this scheme with members of the Bera family, it provides examples of only four of these donor swaps. A review of the candidate committees' disclosure reports provided information regarding contributions made by all 14 of the candidates, their families, or campaign committees to the Bera Committee and Bera family contributions to the 14 campaign committees. And, although most of the contributions at issue in this matter were made by individuals, two were made by committees, Eggman for Congress and Dr. Raul Ruiz for Congress.

1 participants' contributions "beyond lawful contribution limits."³ This scheme allegedly involved
2 the Beras directing the "network" to make contributions to the Bera Committee in exchange for
3 members of the Bera family contributing to the 14 congressional candidates.⁴ The Complaint
4 asserts that the Bera family unlawfully reimbursed the network's contributions by making
5 "substantially equivalent contributions" to the participating congressional candidates.⁵

6 Respondents deny the allegations and assert that the Complainant fails to present any
7 facts demonstrating that they were involved in an unlawful scheme involving the reimbursement
8 of contributions, and the Commission has previously determined that the donor activity as
9 described in the Complaint is permissible.⁶ Several of the Respondents also note that the five-

³ MUR 7079 Compl. at 1-2. According to the Complaint, the "complex family shell game" described in this matter is similar to the reimbursement scheme for which Babulal Bera pleaded guilty and was sentenced to serve a year and a day in prison. *Id.* at 1; *see also* Judgment, *United States v. Babulal Bera*, No. 2:16-cr-00097 (E.D. Cal. Aug. 18, 2016). In that criminal matter, Babulal Bera admitted that he violated 52 U.S.C. §§ 30116(a)(1)(A) and 30122 by reimbursing over 130 contributions made to the Bera Committee using personal and company funds. *See* Criminal Information, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 9, 2016); Plea Agreement, Ex. A, Factual Basis for Plea, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 10, 2016). In a separate matter, MUR 7072, which related to the reimbursement scheme at issue in the criminal case, in light of Babulal Bera's sentencing in the criminal matter, his advanced age, and the fact that most of the activity was beyond the statute of limitations, the Commission dismissed the matter and admonished Babulal Bera. *See* Babulal Bera Factual and Legal Analysis, MUR 7072; Commission Certification, MUR 7072 (Babulal Bera, *et al.*) (Dec. 9, 2016). The available information, however, does not indicate that any of the contributions at issue in MUR 7079 were part of the criminal activity at issue in MUR 7072.

⁴ MUR 7079 Compl. at 2-3. The candidates are Suzan DelBene, Michael Eggman, Jon Hulburd, Stacey Lawson, Patrick Murphy, Scott Peters, Steve Pougnet, Dan Roberti, Dr. Raul Ruiz, Loretta Sanchez, Ravi Sangisetty, Kevin Strouse, Dina Titus, and Manan Trevidi.

⁵ MUR 7079 Compl. at 3-4. Specific examples of this alleged scheme provided in the Complaint involve contributions from candidate Ravi Sangisetty's parents, Aruna and Koti Sangisetty, in 2010; contributions from candidate Patrick Murphy's father, Thomas P. Murphy, Jr., in 2011; contributions from candidate Scott Peters, his wife and his mother-in-law in 2012; and, contributions from candidate Patrick Murphy's mother, Leslie Murphy, in 2013. *See Id.* at 4-6.

⁶ *See* Loretta Sanchez, Committee to Re-elect Loretta Sanchez Resp. at 1-3; Sangisetty for Congress LLC Resp. at 1-2; Koti, Aruna and Ravi Sangisetty Resp. at 1-2; Michael Eggman, Eggman for Congress Resp. at 2; Ami and Janine Bera, Bera Committee Joint Resp. at 2.; Babulal and Kanta Bera Resp. at 2; Scott Peters, Scott Peters for Congress, Lynn Gorguze, Gloria Gorguze Joint Resp. at 1; Suzan DelBene, DelBene for Congress, Patrick Murphy, Murphy Committee, Thomas P. Murphy, Jr., Leslie Murphy, Raul Ruiz, Dr. Paul Ruiz for Congress, Kevin Strouse, Dina Titus, Titus for Congress, Dan Roberti, Dan Roberti for Congress Joint Resp. at 1-4.

1 year statute of limitations ("SOL") has expired for some of the violations alleged in the
2 Complaint.⁷

3 **B. Analysis**

4 The Act limits how much an individual can contribute to a federal candidate and his or
5 her principal campaign committee.⁸ The Act and Commission regulations provide that no person
6 shall make a contribution in the name of another person or knowingly permit his or her name to
7 be used to effect such a contribution.⁹ In addition, "no person shall . . . knowingly help or assist
8 any person in making a contribution in the name of another."¹⁰ Candidates, their committees,
9 and their agents are also prohibited from knowingly accepting contributions that exceed the
10 Act's limits and contributions made in the name of another.¹¹

11 As argued in the Response, the available information does not support the Complainant's
12 allegations that the contributions identified in the Complaint constitute contributions in the name
13 of another. The Complaint, which asserts that fourteen congressional candidates, their families,
14 and campaign committees participated with the Beras in the alleged scheme, specifically
15 describes a series of contributions made by four of those candidates and their relatives, including

⁷ Sangisetty for Congress LLC Resp. at 2; Koti, Aruna and Ravi Sangisetty Resp. at 2. As of the date of this report, the activity from 2009, 2010 and 2011 was beyond the SOL, representing approximately 35% of the overall amount at issue in MUR 7079.

⁸ 52 U.S.C. § 30116(a). During the 2010, 2012, 2014 and 2016 election cycles, an individual could contribute a maximum of \$2,400, \$2,500, \$2,600 and \$2,700, respectively, to a candidate per election. The Act permits an authorized committee to contribute up to \$2,000 to the authorized committee of another candidate. 52 U.S.C. § 30102(e)(3)(B).

⁹ 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii).

¹⁰ See 11 C.F.R. § 110.4(b)(1)(iii).

¹¹ See 52 U.S.C. §§ 30116(f) and 30122; 11 C.F.R. §§ 110.4(b)(1)(iv). Commission regulations also require treasurers of political committees to examine all contributions for evidence of illegality. Should a treasurer determine that a contribution is illegal, including that a contribution was made in the name of another, the treasurer shall refund the contribution to the contributor within 30 days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b).

1 parents, spouses, siblings, and an in-law, but does not provide any information that these
2 contributions were not made with the personal funds of the named contributors.

3 Accordingly, the Commission finds no reason to believe that Michael Eggman violated
4 52 U.S.C. § 30122 or 11 C.F.R. § 110.4(b); that Dr. Raul Ruiz violated 52 U.S.C. § 30122 or
5 11 C.F.R. § 110.4(b); that the remaining individual Respondents violated 52 U.S.C. §§ 30116(a)
6 or 30122, or 11 C.F.R. § 110.4(b); that Eggman for Congress and Jay Petterson in his official
7 capacity as treasurer violated 52 U.S.C. §§ 30102(e)(3)(B) or 30116(f) or 30122, or 11 C.F.R.
8 § 110.4(b); that Dr. Raul Ruiz for Congress and John Pinkney in his official capacity as treasurer
9 violated 52 U.S.C. §§ 30102(e)(3)(B) or 30116(f) or 30122, or 11 C.F.R. § 110.4(b); or that the
10 remaining Committee Respondents violated 52 U.S.C. §§ 30116(f) or 30122, or 11 C.F.R.
11 § 110.4(b).

17044416757